Attorney or Party Name, Address, Telephone & Fax Nos., State Bar No. & Email Address	FOR COURT USE ONLY
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Fax: (310) 271-9805 Michael.berger@bankruptcypower.com	
☐ Individual appearing without attorney	
☐ Attorney for: Leslie Klein	=
UNITED STATES BANK CENTRAL DISTRICT OF CALIFORN	
In re:	CASE NO. 2:23-bk-10990-SK
Leslie Klein,	CHAPTER 11
Debtor-in-Possession.	(Subchapter V)
	SUBCHAPTER V STATUS REPORT
	Status Conference:
	DATE: March 22, 2023 TIME: 9:00 a.m. COURTROOM: 1575 Location: 255 E. Condo
	Los Angeles, CA 90012

Status Conference Location:

255 East Temple Street, Los Angeles, CA 90012
411 West Fourth Street, Santa Ana, CA 92701
21041 Burbank Boulevard, Woodland Hills, CA 91367
1415 State Street, Santa Barbara, CA 93101
3420 Twelfth Street, Riverside, CA 92501

TO THE UNITED STATES BANKRUPTCY COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, THE SUBCHAPTER V TRUSTEE, ALL PARTIES IN INTEREST, AND THEIR COUNSEL:

PLEASE TAKE NOTICE that the debtor and debtor-in-possession in this case ("Debtor") is proceeding under subchapter V of chapter 11 of Title 11 of the United States Code ("Bankruptcy Code" or "U.S.C."), and the Bankruptcy Court will hold a status conference at the date, time, and place set forth above. The Debtor is filing this Status Report pursuant to 11 U.S.C. § 1188(c) and LBR 2015-3(b). Check your presiding judge's procedures to see if, in addition to this Status Report, you must also file Local Form F 2081-1.1.C11.STATUS.RPT, or any other form of Status Report.

1. The Plan:

1.1

What	type of plan will the Debtor propose?
	Consensual (i.e., with agreement or consent of creditors and other interested parties)
	Nonconsensual ³
\boxtimes	Undetermined

1.2 Explain why the Debtor expects the plan to be consensual or nonconsensual, or the reason why it is undetermined at this time:

Debtor's petition was filed February 22, 2023, only two weeks ago, as an emergency petition. Debtor filed the schedules on March 8, 2023. While working on the schedules, it became apparent that Debtor does not qualify to be a Sub V Debtor. On March 8, 2023, Debtor filed an Addendum to Voluntary Petition to uncheck the box for subchapter v debtor election.

The Debtor is a defendant in three lawsuits: In re Matter of the Franklin Henry Menlo Irrevocable Trust, et al. v. Leslie Klein (case no. BP136769; pending litigation); Ericka and Joseph Vago v. Leslie Klein (case no. 20STCV25050; judgment pending appeal); and Jeffrey Siegel, Trustee of the Hubert Scott Trust v. Leslie Klein (case no. BP172432; pending litigation).

¹ Subchapter V of chapter 11 (11 U.S.C. §§ 1181-1195) was adopted by the Small Business Reorganization Act of 2019, Pub. L. No. 116-54, and became effective on February 19, 2020. All references to "Section" or "§" are to the Bankruptcy Code or Title 11 of the United States Code.

² "Not later than 14 days before the date of the status conference under subsection (a), the debtor shall file with the court and serve on the trustee and all parties in interest a report that details the efforts the debtor has undertaken and will undertake to attain a consensual plan of reorganization." 11 U.S.C. § 1188(c).

³ The term "nonconsensual plan" for purposes of this Status Report means a plan confirmed under § 1191(b).

1.3	Will the Debtor file the plan within the deadline of 90 days from the petition date imposed by § 1189(b)?					
		Yes No				

If "No," explain why, and state when the Debtor will file its4 plan:

Debtor does not qualify to be a Sub V Debtor, and on March 8, 2023, Debtor filed an Addendum to Voluntary Petition to uncheck the "subchapter v debtor" election box.

1.4 Please summarize the basic nature of the plan:

Since the petition was filed only 14 days ago, it is premature to summarize the plan in this status report in detail.

Treatment of secured claims: Debtor through counsel intends to reach out to each secured creditor to work out a plan treatment stipulation for prepetition arrears. It is possible for the Debtor to sell one or more of the properties to generate the income needed to support a feasible reorganization plan, as it seems that all of the properties have substantial equity.

Treatment of unsecured claims: The Debtor does not have any scheduled priority unsecured claims. If during the case any of the taxing authorities file claims, the Debtor will treat payment of those priority tax claims pursuant to the code by offering a repayment with applicable interest over 5-years from the petition date.

Treatment of general unsecured creditors: Once the bar date passes and any objections to claims and pending litigations are resolved, Debtor's plan will provide for distribution to holders of allowed general unsecured claims based on the liquidation analysis.

2. <u>Efforts Toward Consensual Plan:</u>⁵

2.1 Describe the efforts the Debtor has taken so far to obtain the consent of creditors for a consensual plan:

⁴ In this Status Report, "it" in referring to the Debtor also refers to "him" or "her."

⁵ This Status Report does not ask the Debtor to disclose any confidential, secret, and/or privileged information. See generally 11 U.S.C. § 1188(c). Please govern your responses accordingly.

The Debtor's case has only been recently filed, and the Debtor has been occupied with compliance items and deficiencies. Debtor anticipates reaching out to creditors through counsel, but no discussions have taken place yet. Also, as noted above, on March 8, 2023, Debtor filed an Addendum to Voluntary Petition to uncheck the subchapter v election box. As such, consensual plan will no longer be applicable in a regular chapter 11 case. However, Debtor intends to actively negotiate plan treatment stipulations with his creditors.

2.2 Describe the efforts the Debtor will take in the future to obtain the consent of creditors for a consensual plan:

Debtor anticipates reaching out to creditors through counsel, but no discussions have taken place yet. Also, as noted above, on March 8, 2023, Debtor filed an Addendum to Voluntary Petition to uncheck the subchapter v election box. As such, consensual plan will no longer be applicable in a regular chapter 11 case. However, Debtor intends to actively negotiate plan treatment stipulations with his creditors.

2.3 Describe the efforts that Debtor has taken so far to reach out to creditors and other parties in interest about a plan, and if none, explain the Debtor's reasons for not reaching out to creditors and parties in interest about a plan:

The Debtor's case has only been recently filed, and the Debtor has been occupied with compliance items and deficiencies. Debtor anticipates reaching out to creditors through counsel, but no discussions have taken place yet.

Identify the parties with whom the Debtor has discussed a plan. Select al that apply:				
	Secured creditors			
	Priority creditors			
	Unsecured creditors			
	that a			

Equity interest holders

The subchapter V trustee

Others (describe: <fill in>)

3. Appointment of Committees and Disclosure Statement:

4.

3.1	app	In the Debtor's view, is there any "cause" for the Court to order the appointment of a committee of creditors pursuant to § 1181(b) and § 1102(b)?			
		Yes No			
	Ехр	lain your answer:			
	<fill< td=""><td>in></td></fill<>	in>			
3.2		In the Debtor's view, is there any "cause" for the Court to order the filing of a separate disclosure statement pursuant to § 1181(b) and § 1125?			
		Yes No			
		Explain your answer: <fill in=""></fill>			
Repo	rting	Compliance:			
4.1	Has	Has the Debtor filed all the documents required under § 1187(a)? ⁶			
		Yes No			
	If "N	If "No," identify the documents that were required to be filed ⁷ but were not:			
	\boxtimes	(a) the Debtor's most recent balance sheet			
		(b) the most recent statement of the Debtor's operations			
	\boxtimes	(c) the Debtor's most recent cash-flow statement			
	\boxtimes	(d) the Debtor's most recent Federal income tax return			
	has i	the Debtor filed a statement under penalty of perjury that the Debtor not prepared a balance sheet, statement of operations, and/or cash-statement and/or that Debtor has not filed its Federal income tax n as required by § 1116(1)(B)?			

⁷ Section 1116(1) requires these documents to be "append[ed] to the voluntary petition."

⁶ The filing of this Status Report does not relieve the Debtor of the requirements of 11 U.S.C. § 1187(a) and § 1116(1)(A) to append the required documents to the bankruptcy petition.

		Yes No Not applicable			
	the o	es," identify each unprepared or unfiled document, and explain why document was not prepared or filed and how the Debtor intends to are or file the document:			
	Marc	tor does not intend to file the statement per § 1116(1)(B) because on the statement per § 1116(1)(B) because of th			
4.2	Has the Debtor filed all Small Business Monthly Operating Reports (Official Form B 425C) ("MORs") as required under § 308?				
		Yes No (Not due yet; case filed on February 22, 2023 and the first MOR t due until March 21, 2023). Debtor will be filing the regular monthly ation reports instead of Small Business MORs.			
		o," or if portions of the MORs are deficient, identify which portions are ient or not reported fully:			
		(a) Reports regarding Debtor's profitability			
		(b) Reports regarding reasonable approximations of projected cash receipts and disbursements over a reasonable period			
		(c) Reports regarding comparisons of actual cash receipts and disbursements with projections in prior reports			
		(d) Reports regarding whether the Debtor is (i) in compliance in all material respects with post-petition requirements imposed by the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure, and (ii) timely filing tax returns and other required government filings and paying taxes and other administrative expenses when due			
		(e) Reports regarding Debtor's failure to make either of the reports in the immediately preceding paragraph (d) (as required by			

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§ 308(b)(5))

No

		" explain why and when the Debtor intends to comply with this ement:			
	<fill in:<="" td=""><td colspan="4"><fill in=""></fill></td></fill>	<fill in=""></fill>			
5.4	Has the Debtor timely filed tax returns and other governmental filings with the appropriate governmental entities, and paid all taxes entitled to administrative expense priority required to be paid under § 1116(6)?				
		Yes No			
	govern	explain why the Debtor has not timely filed tax returns and other mental filings or paid all required administrative expense priority and when the Debtor intends to comply with these requirements:			
5.5	Has the Debtor allowed the United States Trustee to inspect the Debtor's premises, books, and records, and otherwise complied with § 1116(7)?				
		Yes No			
	If "No," require	explain why and when the Debtor intends to comply with this ement:			
	No such request was made.				
<u>Cash</u>	Collate	ral:			
6.1	Does any entity assert that any property of the bankruptcy estate constitutes its cash collateral?				
	□ If "Yes,	Yes No " identify each such entity and what is the property that the entity is its cash collateral.			
	is cash 143 S. Mortga	nt collected on the property at 315 N. Martel Ave., Los Angeles, CA collateral for Selene Finance. The rent collected on the property at Highland Ave., Los Angeles, CA is cash collateral for Shellpoint ge Servicing. The rent collected on the property at 161 N. Itia Place, Los Angeles, CA is cash collateral for MRC/United			

6.

Wholesale M.

6.2	bankruptcy estate that any entity contends is its cash collateral?			
		Yes No		
		s," identify each such entity and what is the property that the entity ts is its cash collateral.		
	is cas 143 S Mortg Poins	ent collected on the property at 315 N. Martel Ave., Los Angeles, CAh collateral for Selene Finance. The rent collected on the property at Highland Ave., Los Angeles, CA is cash collateral for Shellpoint age Servicing. The rent collected on the property at 161 N. ettia Place, Los Angeles, CA is cash collateral for MRC/United esale M.		
6.3	lease	the filing of this bankruptcy case, has the Debtor used, sold, and/or d any property of the bankruptcy estate that an entity contends is its collateral?		
		Yes No		
		s," identify each such entity and what is the property that the entity is is its cash collateral.		
	is cas 143 S Mortga Poinse	ent collected on the property at 315 N. Martel Ave., Los Angeles, CA h collateral for Selene Finance. The rent collected on the property at . Highland Ave., Los Angeles, CA is cash collateral for Shellpoint age Servicing. The rent collected on the property at 161 N. ettia Place, Los Angeles, CA is cash collateral for MRC/United esale M.		
6.4	Has th	e Court approved any orders authorizing the use of cash collateral?		
	Debto author	Yes No (Debtor is currently occupied with correcting deficiencies. r will file his motion for use of cash collateral within the next week. r understands he cannot use cash collateral without Court rization. Until Court authorization is obtained, all rents collected will ot in separate, segregated debtor-in-possession account for each ty.		

	6.5	Has every entity having any interest in cash collateral that is property of the bankruptcy estate consented to its use?		
			Yes	
		\boxtimes	No	
			Not applicable	
7.	<u>"First</u>	rst Day" Motions:		
	7.1	Has t	he Debtor filed any of the following "first day" motions, if applicable:	
			Cash collateral	
			DIP financing	
			Prepetition non-insider wage payments	
			Cash management authority	
			Utilities	
			Limit notice	
			Joint administration	
			Critical vendor	
			Others (describe: <fill in="">)</fill>	
	7.2	Do pro	epetition plan support agreements exist?	
			Yes	
		\boxtimes	No	
		If "Yes	s," attach copies to this Status Report.	

8. Additional Information:

- What additional information would the Debtor like to disclose to the Court concerning this chapter 11 case or the plan (e.g., executory contracts or unexpired leases, extending bar date for proofs of claims or interests, sale or surrender of real and/or personal property, the Debtor's exit strategy)?
- ASSUMPTION/REJECTION OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES:
- Debtor is a party to a month-to-month lease agreements with tenants for the Martel Rental, Highland Rental, and Poinsettia Rental.
- Estimated Time for Filing a Plan and Motion to Confirm the Plan: The deadline set by the court for the Debtor to file the Subchapter V Plan of Reorganization is May 23, 2023. However, since Debtor filed an addendum to voluntary petition and unchecked the subchapter v election box, Debtor will have additional time to

file his Disclosure Statement and Plan, and anticipates filing them on or before July 31, 2023. Debtor estimates filing a motion to confirm the Plan by mid-November 2023.

- Objections to Claims: The deadline for hearings on objections to claims should be set for August 30, 2023.
- Pre-Confirmation Payments: Debtor has not transmitted preconfirmation payments to the Subchapter V Trustee.
- Post-Petition Operations: Debtor filed deficiencies and submitted a 7-day package on March 8, 2023. Debtor attended the Initial Debtor Interview on March 6, 2023, with his bankruptcy counsel. Debtor's §341(a) Meeting of Creditors is scheduled to take place on March 13, 2023 at 9:00 a.m. Debtor will be present at the Meeting of Creditors with his bankruptcy counsel.
- Post-Petition Litigation: Debtor is a defendant in three lawsuits: In re Matter of the Franklin Henry Menlo Irrevocable Trust, et al. v. Leslie Klein (case no. BP136769; pending litigation); Ericka and Joseph Vago v. Leslie Klein (case no. 20STCV25050; judgment pending appeal); and Jeffrey Siegel, Trustee of the Hubert Scott Trust v. Leslie Klein (case no. BP172432; pending litigation). Debtor will file a relief from stay motion for the limited purpose of making his appeal of the judgment in Vago v. Klein.
- Professionals: On March 2, 2023, Debtor filed a Motion for Order Employing Michael Jay Berger as General Bankruptcy Counsel [docket no. 24]. Debtor will file a motion to employ appellate counsel to appeal the judgment against him in Vago v. Klein.

[Signature(s) on Following Page]

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Dated: <u>3/8/2023</u>	Respectfully submitted,
	Michael Jay Berger Name of Debtor's Counsel
	/s/ Michael Jay Berger Signature of Debtor's Counsel Michael Jay Berger (SBN 100291) Name of Law Firm: Law Offices of Michael Jay Berger Address: 9454 Wilshire Blvd., 6 th , Beverly Hills, CA 90212 Telephone number: (310) 271-6223 Email Address: Michael.berger@bankruptcypower.com
I/we declare, under penalty of perjury, that I information provided in this Status Report a	/we have read and reviewed all of the nd that it is true, correct, and accurate.
Dated: <u>3/8/2023</u>	
	Leslie Klein Name of Debtor/Debtor Representative
	Relation to Debtor
	Signature of Debtor/Debtor Representative
Dated:	
	Name of Co-Debtor (if any)
	Signature of Co-Debtor

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 9454 Wilshire Blvd., 6th FL., Beverly Hills, CA 90212

A true and correct copy of the foregoing document entitled (specify): SUBCHAPTER V STATUS REPORT will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below: 1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) 3/8/2023_____, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below: Service information continued on attached page 2. SERVED BY UNITED STATES MAIL: On (date) _3/8/2023____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed. Service information continued on attached page 3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) _3/8/2023_____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed. Honorable Sandra Klein United States Bankruptcy Court Central District of California Edward R. Roybal Federal Building and Courthouse 255 E. Temple Street, Suite 1582 / Courtroom 1575 Los Angeles, CA 90012 ☐ Service information continued on attached page I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. /s/Peter Garza Peter Garza 3/8/2023 Signature Printed Name Date

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

Proposed Counsel: Michael Jay Berger michael.berger@bankruptcypower.com,

yathida.nipha@bankruptcypower.com;michael.berger@ecf.inforuptcy.com

Interested Party: Greg P Campbell chllecf@aldridgepite.com,

gc@ecf.inforuptcy.com;gcampbell@aldridgepite.com

Counsel for Wilmington Savings Fund: Theron S Covey tcovey@raslg.com, sferry@raslg.com

Interested Party: Dane W Exnowski dane.exnowski@mccalla.com,

bk.ca@mccalla.com,mccallaecf@ecf.courtdrive.com

U.S. Trustee: Michael Jones michael.jones4@usdoj.gov

U.S. Trustee: Ron Maroko ron.maroko@usdoj.gov

Counsel for Ajax Mortgage: Joshua L Scheer jscheer@scheerlawgroup.com, jscheer@ecf.courtdrive.com

Subchapter V Trustee: Mark M Sharf (TR) mark@sharflaw.com,

C188@ecfcbis.com;sharf1000@gmail.com

United States Trustee (LA) ustpregion 16. la.ecf@usdoj.gov

Interested Party: Michael L Wachtell mwachtell@buchalter.com

U.S. Bank: John P. Ward jward@attleseystorm.com, ezhang@attleseystorm.com

Interested Party: Paul P Young paul@cym.law, jaclyn@cym.law

2. SERVED BY UNITED STATES MAIL:

U.S. Trustee Attn: Ron Maroko, Esq. 915 Wilshire Blvd., Ste. 1850 Los Angeles, CA 90017

Subchapter V Trustee Mark M. Sharf 6080 Center Drive #600 Los Angeles, CA 90045

SECURED CREDITORS:

CCO Mortgage Corp. Attn: Bankruptcy 10561 Telegraph Rd Glen Allen, VA 23059

Chase Mortgage BK Department Mail Code LA4 5555 700 Kansas Ln Monroe, LA 71203

Fay Servicing Llc Attn: Bankruptcy Dept Po Box 809441 Chicago, IL 60680 Mrc/united Wholesale M Attn: Bankruptcy P. O. Box 619098 Dallas, TX 75261

Selene Finance Attn: Bankruptcy Po Box 8619 Philadelphia, PA 19101

Shellpoint Mortgage Servicing Attn: Bankruptcy Po Box 10826 Greenville, SC 29603

Toyota Financial Services Attn: Bankruptcy Po Box 259001 Plano, TX 75025

Ericka and Joseph Vago c/o Brian Procel Procel Law 401 Wilshire Blvd., 12th Floor Santa Monica, CA 90401

Ericka and Joseph Vago 124 N. Highland Ave Sherman Oaks, CA 91423

Fay Servicing LLC Attn: Bankruptcy Dept Po Box 809441 Chicago, IL 60680

Fiore Racobs & Powers c/o Palm Springs Country Club HOA 6820 Indiana Ave., Ste 140 Riverside, CA 92506

Gestetner Charitable Remainder Trus c/o Andor Gestetner 1425 55th Street Brooklyn, NY 11219

Los Angeles County Tax Collector Bankruptcy Unit PO Box 54110 Los Angeles, CA 90054-0027 Mrc/united Wholesale M Attn: Bankruptcy P. O. Box 619098 Dallas, TX 75261

Selene Finance Attn: Bankruptcy Po Box 8619 Philadelphia, PA 19101

Shellpoint Mortgage Servicing Attn: Bankruptcy Po Box 10826 Greenville, SC 29603

Toyota Financial Services Attn: Bankruptcy Po Box 259001 Plano, TX 75025

20 LARGEST UNSECURED CREDITORS AND INTERESTED PARTIES:

Andor Gestetner c/o Law Offices of Jacob Unger 5404 Whitsett Ave Ste. 182 Valley Village, CA 91607

Bank of America Attn: Bankruptcy 4909 Savarese Circle Tampa, FL 33634

Barclays Bank Delaware Attn: Bankruptcy Po Box 8801 Wilmington, DE 19899

California Bank & Trust Po Box 711510 Santee, CA 92072

CCO Mortgage Corp. Attn: Bankruptcy 10561 Telegraph Rd Glen Allen, VA 23059

Chase Card Services Attn: Bankruptcy P.O. 15298 Wilmington, DE 19850 Chase Card Services Attn: Bankruptcy Po Box 15298 Wilmington, DE 19850

Chase Doe 143 S. Highland Drive Los Angeles, CA 90036

Chase Mortgage BK Department Mail Code LA4 5555 700 Kansas Ln Monroe, LA 71203

Citibank Attn: Bankruptcy P.O. Box 790034 St Louis, MO 63179

Franklin H. Menlo Irrevocable Trust c/o Willkie Farr & Gallagher LLP Attn: Alex M. Weingarten, Esq. 2029 Century Park East, Suite 3400 Los Angeles, CA 90067

Jacob Rummitz 315 N. Martel Avenue Los Angeles, CA 90036

Jeffrey Siegel, Successor Trustee of the Hubert Scott Trust c/o Oldman, Cooley, Sallus 16133 Ventura Blvd., Penthouse Suit Encino, CA 91436-2408

Leslie Klein & Associates, Inc. c/o Parker Milliken 555 Flower Street Los Angeles, CA 90071

Oldman, Cooley, and Sallus 16133 Ventura Blvd., Penthouse Suit Encino, CA 91436-2408

Sandra Layton 161 N. Poinsettia Place Los Angeles, CA 90036